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C O N F I D E N T I A L SECTION 01 OF 02 TBILISI 001327

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TAGS:  $\underline{PGOV}$   $\underline{PREL}$   $\underline{RS}$   $\underline{GG}$  SUBJECT: GEORGIANS SEEK CALM IN SOUTH OSSETIA AND ARE

PUZZLED BY RUSSIAN MFA ACTIONS

REF: A. TBILISI 1317 **1**B. TBILISI 1161

Classified By: AMBASSADOR JOHN F. TEFFT FOR REASONS 1.4 (B) AND (D).

(C) Begin Summary and Comment: On the evening of 1 August sniper activity erupted around South Ossetian villages and soon expanded into mortar fire which continued until the morning of 2 August when events calmed. OSCE military monitors said that the use of mortars by both sides and the range of the shelling, usually confined to the Southwest/Southeast of Tskhinvali spread on these dates from the Northeast to Southwest of Tskhinvali. Such wide-scale fighting has not been seen since 2004. It is unclear who initiated the preliminary volleys, as well the number and types of casualties who were affected by it. During the weekend's events, the Saakashvili administration remained level-headed, with President Saakashvili and State Minister for Reintegration Temuri Yakobashvili assuring Acting Russian Foreign Minister Denisov that the Georgians had no intentions of resuming hostilities and requesting Denisov speak with de facto South Ossetian leader Kokoity to dial down the rhetoric. Denisov agreed, but on the following day the Russian MFA reversed course and issued a statement about imminent war, Kokoity announced evacuation of South Ossetians, and Abkhaz de facto leader Bagapsh talked about not going to Berlin for talks on the Abkhaz-Georgian conflict. Tensions have been rising for the last couple of weeks in South Ossetia, due to the assassination attempt on Sanakoyev (ref A) and a double IED attack on August 1 (ref B), but the Ministry of Interior has denied the Georgians mounted a retaliatory strike which began this weekend's firefight. OSCE expects to release its official report of the events which occurred August 1-2 on Monday August 4. End Summary and Comment.

## Fog of Battle

12. (C) Sniper fire began at 1800 on Friday August 1 in South Ossetia and grew into what became an all-night firefight 20 minutes later, with Georgia and South Ossetia sides using mortars, until 0700 on Saturday August 2 when events calmed. Earlier Friday there were casualties on the by-pass road due to two IEDs (ref B). Although OSCE military observers cannot pinpoint who initiated the opening volleys of the firefight, President Saakashvili told Ambassador that the shelling that took place early Saturday morning was started by the Ossetians. They had shelled a Georgian village. Initially the Georgians had not responded, but after a second village was shelled, Georgian MOIA troops had returned fire. The Georgians report the death of one policeman and ten wounded, and the Ossetians claim six dead and 13-15 wounded. It is still unclear if those who were wounded were militia or noncombatants. The use of mortars can cause indiscriminate deaths as they cannot be employed with precision accuracy.

13. (C) President Saakashvili called the Ambassador at 1830 on Saturday August 2 to express his personal concern over the Ossetian evacuation from Tskhinvali, and to make sure U.S officials understood that Georgia did not want further conflict. He reiterated that Georgian forces had stood down and did not want to initiate hostilities. They had conveyed this message to the Ossetians through every channel they could. Saakashvili was particularly upset by what he deemed to be a reversal of Russian policy from Saturday August 2 to Sunday August 3. On Saturday August 2 Russian Deputy Foreign Minister Denisov had talked to Georgian Deputy Foreign Minister Vashadze and both sides agreed to work to prevent further violence. Saakashvili said that Denisov said that if the Georgians undertook not to resume fighting, "We will shut Kokoity up." This agreed strategy had worked and there was no violence from Saturday until Sunday. A moderate statement had been issued by the Russian MFA.

#### The Russian Tone Changes

14. (C) Then on Sunday August 3 the Russian tone changed. The South Ossetians started evacuating inhabitants from Tskhinvali, the Russian MFA issued a shrill statement claiming war was imminent, Abkhaz de facto leader Bagapsh announced he would not go to Berlin to meet with Georgians on resolving the Abkhaz conflict, and Russian television implied war was about to break out. There were those on the Georgian side who feared that Russia might be trying to instigate a

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conflict, and had suggested Georgia mobilize. Saakashvili told the Ambassador that he had decided not to do that, for fear it would play into the hands of those wanting war. That said, Saakashvili wondered what the Russian game was. He did not think Russia wanted war, but was the action in South Ossetia being used to justify some further Russian military move in Abkhazia? Was the weekend violence stimulated by Kokoity and his Russian security advisors led by de facto Minister of Defense Mindzaev, or was there some larger Russian plan unfolding? He asked the Ambassador for any information U.S. intelligence might have on the situation, particularly anything which could explain Russian motives.

# Something Is Rotten in Moscow

15. (C) The Ambassador called Saakashvili later in the evening on Sunday to brief him in general terms on EUR Assistant Secretary Fried,s telephone conversation with Russian Deputy Foreign Minister Karasin. Saakashvili was grateful for U.S. efforts to calm the situation. He returned again to the question of Russian motivation. Did they want war, or were they just reacting to Kokoity and Mindzaev? He made clear that the weekend,s violence had started with the IED attack on Georgian police on the bypass road to Georgian villages on Friday morning August 1. Saakashvili said he had been told that the Ossetians had fired 500 shells at the Georgian villages, which his experts calculated cost \$3.5 million dollars. There was some damage but the villagers would pull through. Again, Saakashvili asked who authorized this shelling and who is going to pay for it?

## Georgian Economy: Butter, Not Guns

16. (C) Saakashvili closed with two additional points. First, the Georgians did not target civilians in Ossetia as the Ossetians and Russian television were claiming. The Georgians understood that only South Ossetian militia were killed in the early Saturday firing. Second, Saakashvili said he wanted Washington to know that he recognizes this kind of violence is a strong disincentive for businessmen to

invest in Georgia. News about the violence flies around quickly via the wire services and the internet. Georgia does not need nor want such violence, because it needs more foreign direct investment. He said that the Georgian government had recently reduced its GDP projection for calendar year 2008 from 10 percent to 8 percent growth. More violence in the separatist regions will only exacerbate the economic problems for Georgia.

### Fresh Look on a Monday

17. (C) Ryan Grist, Deputy Chief of the OSCE in Tbilisi, told Poloff on Monday August 4 that it appeared that Yuri Popov, Russian Chief Negotiator for South Ossetia, would be returning by week's end. Grist was encouraged that Yakobashvili's offer to meet with South Ossetian counterparts had not been refused. Grist discounted that the "evacuations," some still underway in the early morning of August 4, were related to the weekend's events. He said also that there are no indications that the Georgians are reinforcing their positions or bringing in additional heavy weaponry out of the ordinary, but opined there has been less control of reinforcement by both sides in the last months due to the lack of JCC talks. Grist did say that OSCE monitors are on the look-out for outsiders from the Northern Caucasus, as their appearance could be a bad omen of things to come. The OSCE report of the weekend's events is expected to be released on Monday August 4. Dmitri Manjavidze, Georgia's Chief Negotiator for the JCC, told Poloff that the exodus of busloads of women and children were planned four months ago as part of a normal August ritual in South Ossetia and this was being politicized in light of the past weekend's events.

TEFFT